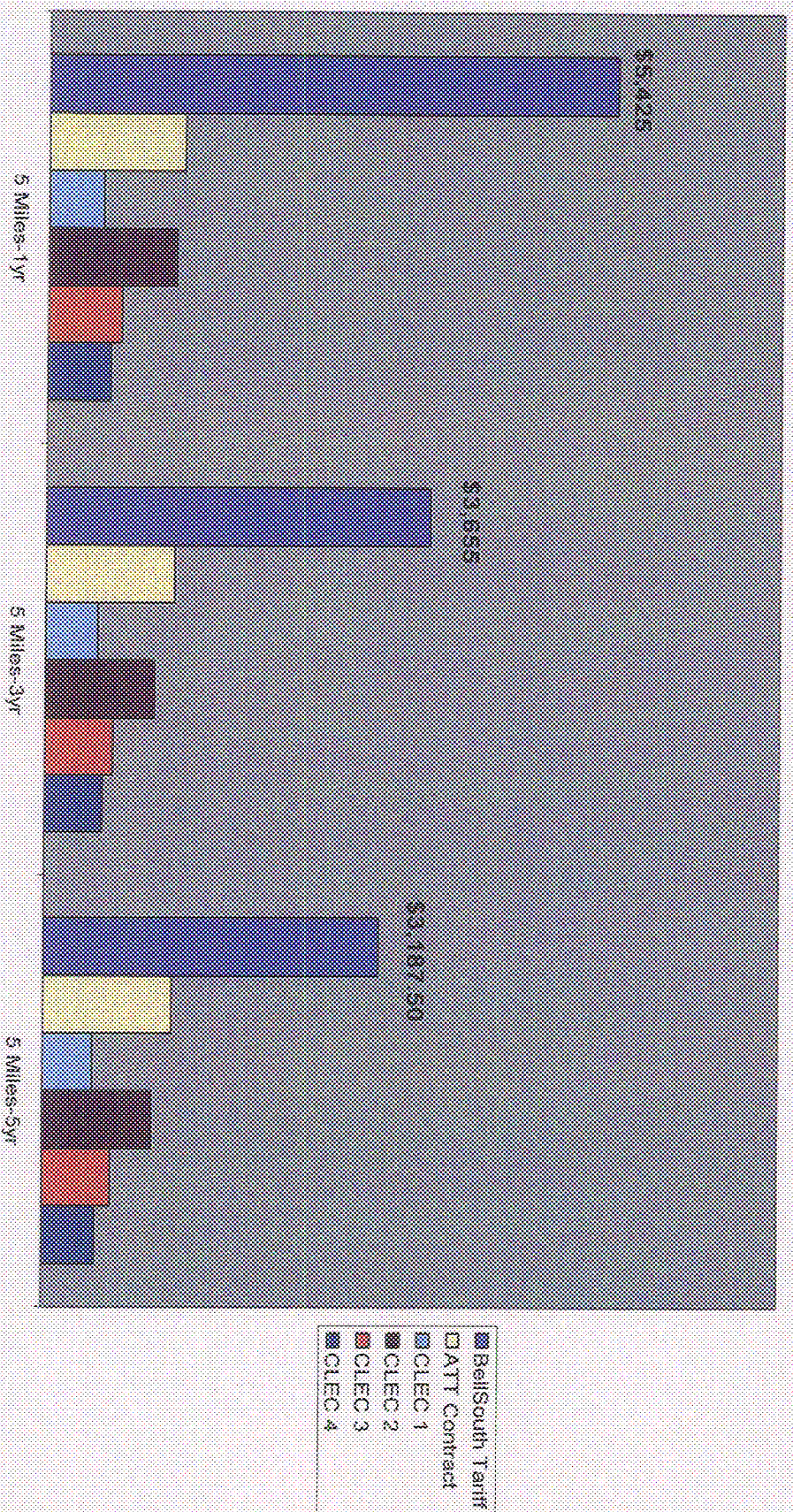


# Price Comparison of Major Access Vendors



Atlanta DS3 Comparison: 5 Mile  
Rates effective October, 2006



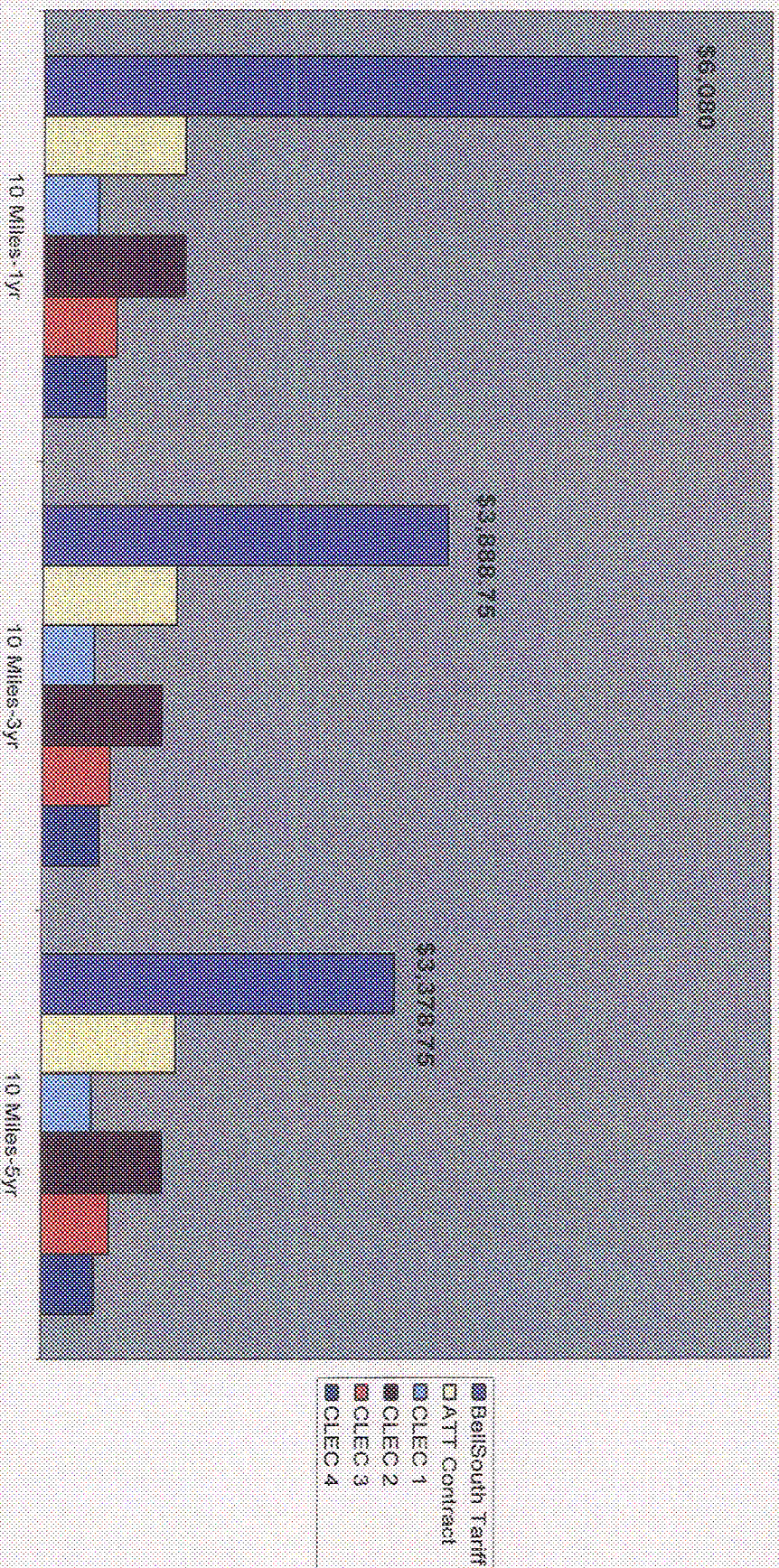
Global Crossing Proprietary and Confidential



# Price Comparison of Major Access Vendors



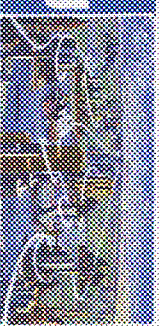
Atlanta DS3 Comparison: 10 Mile  
Rates effective October, 2006



Global Crossing Proprietary and Confidential

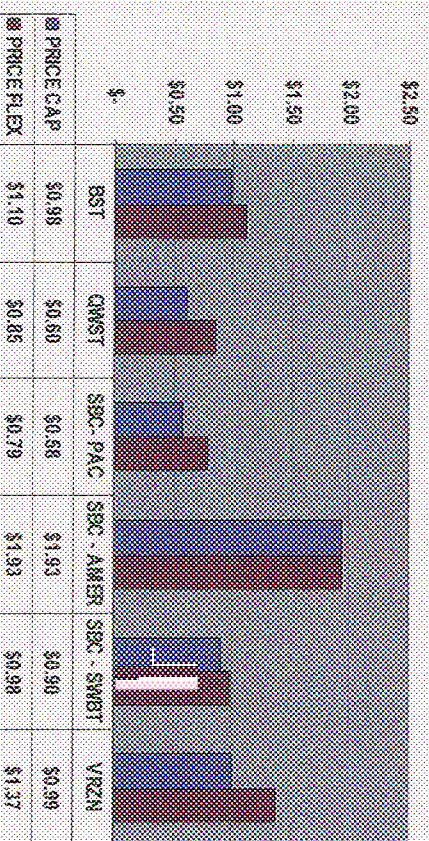


# Comparison of Long-haul and Short-haul Pricing

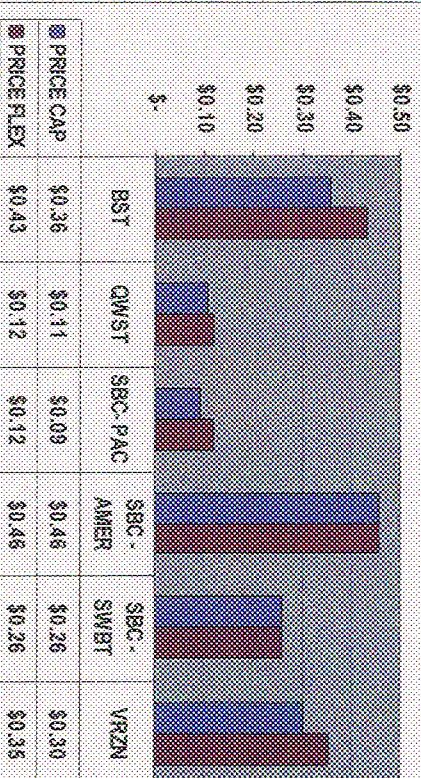


## Rates per DSO Circuit Mile 10 Mile Month-to-Month Sample

DS1 RBOC rates per DSO Circuit Mile  
Zone 1 - 10 mile - Month to Month Circuit



DS3 RBOC rates per DSO Circuit Mile  
Zone 1 - 10 mile - Month to Month Circuit



### Comparable Global Crossing long haul rate:

DS1: \$0.0275 per DSO circuit mile

DS3: \$0.0050 per DSO circuit mile



# Voluntary Merger Conditions



## ➤ **The voluntary commitments made by AT&T and Verizon freeze special access rates**

- Evidence submitted in the merger dockets demonstrated that special access rates were already excessively high
- Freezing rates in a cost-declining industry is tantamount to a rate increase
- There was no relief from extreme volume and term commitments

## ➤ **AT&T's additional commitment to reduce special access rates offers limited relief**

- AT&T's rate freeze was reduced from **48** to 39 months
- Reducing rates to price cap levels in Phase II pricing flexibility areas does not address the inequity of existing price cap rates



# The New Global Village



## Remedies for Market Failings



## More Regulation is Not the Answer



- **Re-institution of price cap regulation would require a complex, lengthy, and costly rate case**
- **Regulation has not proven effective at mimicking market forces**
- **With the acquisition of AT&T and MCI, SBC and Verizon severely hampered the CLEC industry's ability to compete in the regulatory and political arena**